

Q1-Q2 SUMMARY 2011

In the first half of 2011 Chicagoland real estate activity increased steadily each month, though the numbers are considerably lower than in 2010 when sales activity was spurred by available home buyer tax credits. During the first two quarters, more than 8.4 billion dollars of homes were sold throughout the region with an average MLS sale price of \$222,294, which is about six percent below the average sale price last year with somewhat higher market times. Distressed and bank-owned properties continue to be a significant influence, accounting for about 44% of homes sold during the second quarter, a significant decrease from 53% in the first quarter.

MARKET VELOCITY

The number of homes sold has followed an upward trend line throughout the year, with a sharp uptick in March of 2011. The total number of homes under contract at the end of June was 55% higher than one year ago, a sign that we can expect strong performance in the coming months. The inventory of homes for sale has increased slightly from the first quarter, but is still more than 10% lower than 2010.

MORTGAGE UPDATE - LOW RATES DRIVING HOUSING AFFORDABILITY

Rates for 30 year fixed loans moved steadily downward from a quarterly high point of 4.9%, to stay near 4.5% throughout June. Concerns about economic instability in European regions exerted downward pressure on mortgage rates, as investors sought refuge in US treasury bonds. Refinancing is still a bright spot, as a record percentage of mortgage applications in June were for borrowers seeking to lock in low refinance rates. Historically low rates for all borrowers continue to positively impact the affordability of homes.

THE COMING MONTHS

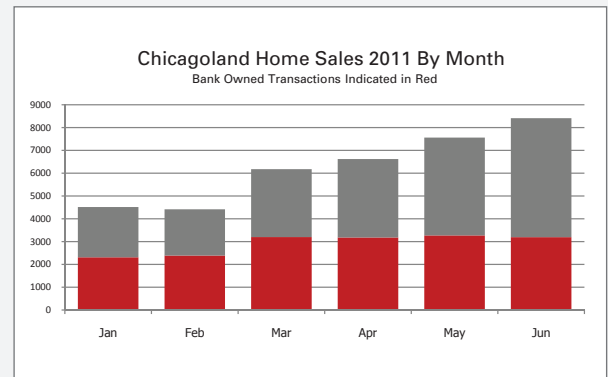
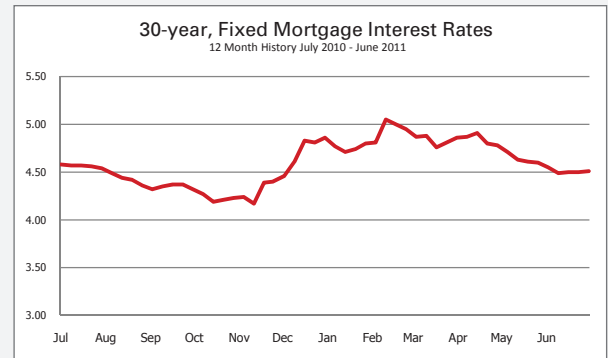
In the third quarter, we expect to see steady activity, though the market will still be influenced by a limited supply of buyers and higher credit standards. A good selection of homes, low mortgage rates, and downward pressure on sale prices from distressed property sales has created a favorable climate for qualified buyers.

STRENGTH, STABILITY SECURITY

These qualities set Koenig & Strey apart from other brokerages. Our outstanding local organization is backed by HomeServices of America, a Berkshire Hathaway affiliate, and one of the largest full-service residential real estate brokerages in the nation. Market factors change daily, but your Koenig & Strey agent can help you get the best results in any market.

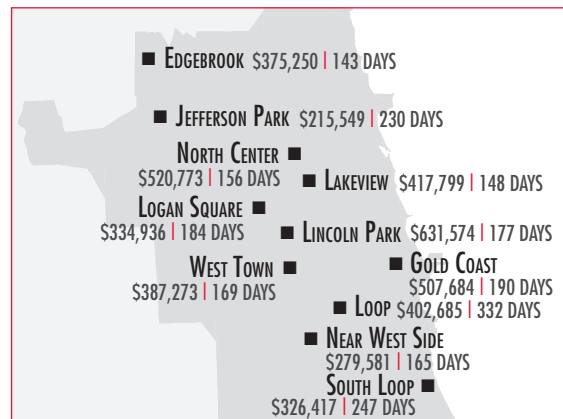
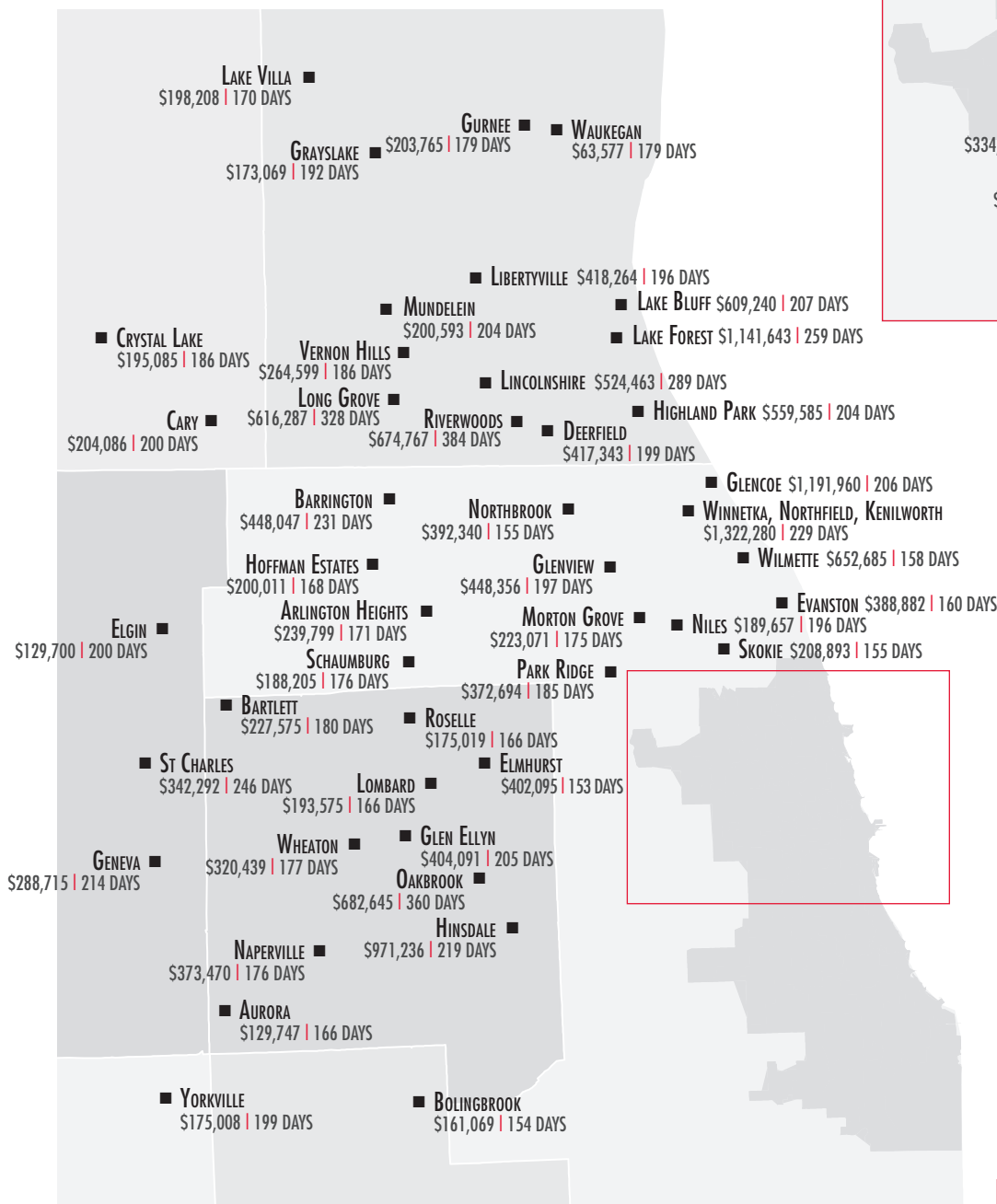
Find a real estate expert in your area at koenigstrey.com.

Market At-A-Glance (YTD)	2010	2011
Sales	44,106	37,692
Sales Dollars	\$10.48 billion	\$8.38 billion
Average Price	\$237,590	\$222,294
Days on Market	162	177



MARKET PRODUCTION NUMBERS BASED ON MRED MLS RESIDENTIAL TRANSACTION DATA FOR ALL KSRL OFFICES AND TRANSACTIONS 1/1/11-6/30/11 COMPARED TO 1/1/10-6/30/10. MORTGAGE DATA SOURCE: FREDDIE MAC WEEKLY PRIMARY MORTGAGE MARKET SURVEY FOR 30-YEAR, FIXED RATE MORTGAGES.

AVERAGE SALE PRICES & MARKET TIMES



CHICAGO NEIGHBORHOODS

For in-depth information about your neighborhood, visit www.koenigstrey.com to find a Koenig & Strey Sales Associate in your area.

DATA SOURCES: AVERAGE SALES PRICE AND DAYS ON MARKET STATISTICS BASED ON MRED MLS RESIDENTIAL DATA 4/1/11-6/30/11 AS STATED ON 7/17/11 FOR TRANSACTIONS IN EACH LISTED CITY, EXCEPT CHICAGO. CHICAGO NEIGHBORHOOD STATISTICS BASED ON TRANSACTIONS IN MLS MARKET AREAS 8005, 8006, 8007, 8008, 8011, 8028, 8022, 8024, 8033.